Uncorrected Transcript: Check against Video for Quotes

QI Panel:

China as a Hegemonic Challenge?

April 16, 2024
1:00-2:00 PM EST

Michael Swaine 0:38

Hello, I'm Michael Swaine, senior research fellow in the East Asia program at the Quincy Institute, and a longtime analyst of China related security issues, including China's security strategy and national security decision making the strategic military balance in in Asia, the Taiwan question and aspects of US China crisis management. So I'll be moderating this discussion today of the issue of China as a hegemonic power in Asia. Now, this discussion has been prompted really by three things. A key US policy assumption, a criticism or questioning of aspects of that assumption by one of our panelists, and the advocacy of a kind of offshore U.S. alternative to a privacy oriented US led region wide security structure by another of our panelists. The apparent us assumption is that absent very strong and persistent American action, like continually rising China will threaten to assert itself as the dominant hegemonic power in Asia, committed to undermining and impossibly ejecting the US from the region. Now, this fear arises from the long standing us belief underlying us regional policy that it must prevent any hostile power from gaining control over this critical region. This has been a central pillar really, of U.S.-Asia policy since at least the second World War. So the criticism or the questioning of aspects of this assumption involving China, has most recently been expressed by one of our panelists Steve cozy and a recent Quincy brief and titled, The conventional wisdom about the Chinese military challenge, incomplete and unpersuasive. Now, Steve will, of course, speak for himself in a couple of minutes. But I see that he does not, as I see it, he doesn't question the need for the US to prevent a hostile power from controlling Asia. But he thinks that the argument about China potentially gaining that position, a position of real dominance over the region lacks a certain amount of rigor, and leads to exaggerated assessments of what is required to maintain stability. Now, the second interesting article that prompted this was a piece that just came out by Jennifer Kavanagh and a co author that's entitled The Elusive Indo Pacific Coalition: Why Geography Matters. And this follows on a foreign affairs piece that Jennifer had written some time ago, in which they argue for a concern to us move away from a primacy oriented US led security structure in favor of a much more selectively focused offshore oriented posture. So although our discussion isn't going to center simply on Steve's or Jennifer is interesting and provocative pieces, they do raise issues, and provides a jumping off point for us and understanding the potential threat China might pose and the best way of dealing with it.

So let me just say a word about our three panelists before we begin the discussion. Steve is a Non-Resident Fellow at the Quincy Institute and a nationally recognized expert on the US defense and International Affairs Budget, with extensive experience in national security planning, and budgeting. He was also a key analyst and an author of the Quincy sponsored study that we did some time ago defining what we call Active Denial, US Force Posture in Asia.
Jennifer Kavanagh is a senior fellow in the American statecraft program at the Carnegie Endowment for International Peace. She's a political scientist by training, has spent her career studying national security threats and their consequences for US foreign and defense policy. And Derek Grossman, our third panelist, is a senior defense analyst at the RAND Corporation focused on a range of national security policy and Indo Pacific security issues. And before joining ran, Derek served for over a decade in the US intelligence community, and also in associates associated with the National Security Agency in in, in the White House. So those are three panelists, excellent panelists for discussing this topic today. So let's get started. We'll talk for about 30 to 35 minutes and then throw it open to questions from the audience. As in the limited time that we have, I'm going to forego the idea of having a statement upfront by each of our panelists, and just start off with a set of questions. I basically want to try to cover three questions during our discussion. The first one is, really let's talk about what we're talking about here. How would you define hegemony or primacy and in Asia, and what would be required for China to actually achieve it across the region, not only ideally in military terms, but also if possible, I don't know if we have enough time for this, but if possible, also in economic and political terms. The second question is, does China have, or is it likely to obtain the capacity to achieve such dominance, given the panelists assessment of the constraints versus the strength, the strengths that China was likely to confront or possess in the region? And then third, how should the US best prevent China from achieving either hegemony or some other threatening form of influence in Asia, without provoking serious problems, like an open ended arms race, in the region, or various provocative policies by China or the US towards Taiwan, the South China Sea, etc. So those are the three sets of questions. And I want to start, first of all, with a definitional question, and get each panelists sense about what they think of what they define as being Chinese Hegemony in Asia. And I'll start with Steve, Steve, what do you think?

Steven Kosiak 6:33

Well, thank you. Yeah, so so I'll just dive right into this, I guess the definition I would use is what I think is similar to the definition, I think, of what drove us to be concerned about Nazi Germany and Imperial Japan, during the Second World War and the Soviet Union during the Cold War. And that is a concern that those powers could through the use of military force or the threatened use of military force. So that's sort of aspect number one, compel other countries in the region to do things that basically are against, rather in their interests and against the interests of the US and our key allies. And so that's sort of number two part of it. And number three part in a way that materially affects the security and an economic strength and everything of the US. So it's, it's it's military, underlying it, there's a military component to it. It leads other countries to do things we don't want them to do. And those things that they we don't want to do materially affect us. So I guess that's in very simple terms, how I would sort of define what hegemony means. And a and I talked about there are certainly though, the manifestations of that may be political, maybe economic, maybe diplomatic, but underlying it is critically a military component. The and the another key component, beyond just having a key military aspect to it, is that there has to be a ability to influence enough other countries with enough economic power to materially affect the US, right. And there's room for disagreement as to what that would constitute in the case of the Indo Pacific. But just as a reference point, during World War Two and the Cold War, we had a
pretty, we were worried about pretty massive concentrations of economic power, at their peak in World War Two, Imperial Japan and Nazi Germany controlled about 40-45% of global GDP. And we were concerned that the Soviet Union could achieve a similar level of control during the Cold War. So that is, so in essence, I think that's, you know, those are the key. Those are the key. That's sort of my definition, I guess of, of what what it means to be a hegemonic. Do you want me to go on to the what, what would it take for China to achieve that? Or is that a separate question?

Michael Swaine 8:58

I think we're gonna we're going to address that in just a second. I want to take the questions one by one, and get each each panelists assessment of what what they think, Jennifer, but what is your take on this, your your Washington quarterly piece seems to assume that the Chinese that hegemony was indeed an issue, a major issue here Chinese Hegemony, and that the China could potentially attain that kind of position? So what would you define as being the, you know, what hegemony would look like by China? Would you agree basically with Steve, or would you sort of qualify?

Jennifer Kavanagh 9:35

I agree on much of what Steve said, I guess I would differ on a few points. I generally think about a hegemonic as a state that is able to act as the dominant veto player over the political and economic decision making up other states in the region, most other states in the region and military power, certainly a major component a way that that any hedge Amman is able to enforce its preferences. On the states that it yields or wields influence over, but doesn't just have to be military power. And I would argue that China has come a lot further in economic power. And we can talk more about that later. It definitely doesn't require military conquest. It doesn't require having an empire, but it does require the ability to credibly project power across the region. Otherwise, your threat to use military force if a state behaves in a way that doesn't match up with with preferences is it doesn't carry much weight. So the ability to project military power, I think is important. It also requires political sway. And generally hegemonies tend to rule if you want to call it that or influenced by consent. You know, the states generally decide that it is in their interests to go along with the hegemon’s will. And that tends to be because the hegemon does a number of other things in addition to coerce and influence which is to provide order and processes, often institutions, and sometimes public goods to other states. And so the US has served that role regionally and globally for decades in terms of guaranteeing freedom of navigation and setting up institutions to manage conflicts and providing a range of other security and economic benefits, which which it also benefits from but which it does, which do come with responsibilities and, and costs, which we've seen in terms of the the some of the burdens that the US carries, that counteract the benefits of being a hegemonic. So I think when I think about hegemony, I think about it in that sort of holistic space. I think I agree that military power is a key component. But I don't know that it's enough for a state to be really a regional hegemonic. And I, you know, I do think we should be concerned about a Chinese regional hegemony. I think
there's a number of obstacles to getting there. But we could talk about that maybe in the next question.

**Michael Swaine 12:05**

Right, I mean, it seems that far, at least that, you know, the notion of hegemony is not a simple question here of a power directly coercing other powers, and much less actually occupying them, using military force to subdue them in any overt way. It really consists of a set of power distributions that play very much in favor of the hegemonic so that that power can ideally operate and conduct its affairs, without the fear that there's going to be a serious effort to try to undermine them or counter them by the other powers in the region. And that requires not just military power, but an ability to set the agenda to a great extent and to set the values that the region seems to be operating under, that people are, in fact, either self deterred. They're not going to challenge the hegemonic or they benefit from the hegemonic in some way. And so so the the level of actual explicit hegemony could be very, very indirect in the way it operates. At least that's the impression that I'm, that I'm getting, but it does have an underlying important focus on our requirement of the hegemonic being able to have the capacity to project power in certain critical ways if necessary

**Steven Kosiak 13:25**

I guess I would just add, I think I think that's all true. I do think, though, that one needs to be careful that you that you don't morph into any power that's economically successful, and gets a very large economy is sort of, by definition kind of hegemonic, too. I mean, I'm not saying that's what Jennifer is saying, but I do think there's a you know, that and that is, you know, one of the reasons why I do emphasize the underlying military component.

**Michael Swaine 13:49**

Right. And I think it's an important question here that I think we could keep in mind is that many people would believe that, I guess I would be among them, that for many, many decades, in effect the United States has exercised what we would regard as a hegemonic position in maritime Asia, that is to say, over not over continental Asia, but in the maritime reaches of the Western Pacific, as a result of its dominant maritime power and its economic power and the attraction of its political ideals and values. It has been able to exercise pretty much something pretty close to a veto power over a lot of decisions that had been made in the in the Pacific since the second world war until quite recently, at least I would put that forth as an example of a US example of the exercise of hegemonic power. Although American policymakers would never say that they'd never describe it in those terms. They would never say, Oh, yes, we've exercised hegemony over Asia. But I think in in real terms, that has been the case, it seems to me that it fits That's the definition that you've been presenting. Derek, what do you think of this?

**Derek Grossman 15:05**
Uncorrected Transcript: Check against Video for Quotes

Yeah. Thanks, Michael. And thanks to the Quincy Institute for putting on this event and inviting me. So I agree mostly with what you know, my colleagues have said. And I would just say I would just kind of start out by by saying that hegemony is kind of has a negative connotation, right? I mean, when we think about our, you know, dominance or primacy over the international system, those are the words we usually use, or we say that we are a superpower that is seeking to uphold the liberal rules based international order. That all sounds much more positive than using the word hegemony or hegemony, which is actually how we describe what China is trying to do in Asia, right. And the Chinese have also pointed the finger back at us and said, Well, we're trying to prevent the U.S. from becoming or or remaining, I guess, a hegemonic in Asia, right. So let's just get that out of the way when we use that term. That's kind of a very specific term that plays into rival risk activity, right? One rival is beating the other. So that one is now the hegemonic, right? And so, you know, I would just add to what I think what Jennifer was pointing out that it's not just the military component that's important in terms of defining a hegemonic, it is important right? ability to project power, you know, across the region, especially versus your rival and to fight and win a war. In Asia, that's important.

But there's also diplomatic and economic and frankly, technological, I would also have technological and ideological components to defining who has hegemony over the region. And I, you know, and Rand has done a fair amount of work on this, I've been involved in some of it, Jennifer, when she has worked for us was involved in some of it as well. And you know, we've done a series of studies looking at the different components that I just mentioned, and trying to evaluate them from both a quantitative and a qualitative perspective. And the answer seems to be a you know, we haven't really done like an updated version, I'm looking to do that sometime in the near future. But in the past, you know, the answer seems to be that the US is still mostly kind of in the driver's seat. But that advantage, especially in the last three to five years, has very much been narrowing in China's favor. And you can look at, you know, any of the indicators, diplomatic, economic, military, or security, if you want to be more kind of broad, right technological and ideological and all of those categories, the Chinese are making real gains. And in the economic category, in particular, we in the United States, unfortunately, lack a real economic strategy in the Indo Pacific. And so when you look at a map, even just comparing today versus 10, or 20 years ago, a lot of the countries who were our number one economic partners have now switched to China. Right. So that's that in the fact that it's not going in our in our favor, is what I think is worrying a lot of folks in Washington, so I'll leave it there so we can get to the next question.

Michael Swaine 18:13

Well, thanks. I mean, what this all suggests to me is that now if you move on to the second second question here does China have and I think the answer to that is no at this point, but is it possible that it could obtain really a hegemonic position get capacity to exercise hegemony? And it sounds like I mean, that's a pretty high bar. It has to it has to meet a range of different requirements that certainly are rooted in military requirements, but go well beyond it as well. And really come into the whole question about calculations of of political priorities, values, what kind of general system, pattern of global governance and regional governance etc. And and
whether or not a hegemonic can really exercise dominant influence over setting those kinds of agenda, and actually, and maintaining them over time. So I guess, then the question becomes, okay, what kind of do you see China in terms of his capacity to achieve that kind of an objective, even though you' ve seen the kind of changes in a relative sense that Derek just mentioned? What's your assessment of the constraints versus the threat strengths that China would face in trying to establish a genuine position of hegemony in the region? And, Steve, I know you focus a lot on the military dimension. I'd like to hear more about that.

Steven Kosiak 19:38

Yeah, so I guess I guess I would just say a little bit more about that. I, I think I think this this points out that one really, not only does one have to be kind of precise about what one means by hegemonic, but what there are different kinds of hegemonic, right, and is one that is based on economic competition and Cultural influence and diplomatic skill, the same as one that is based on relying on military threats of military force? Is that the same thing? Should one be equally worried about that art? Do they really mean the same thing? So I guess? I think that's a that's something that I think it's complicated. Right. And I don't think we I don't think we all probably share the same notion of that. But let me so let so so as I say, in my, in my view, the underlying what really makes the I guess, I would place more emphasis on the military component of this, then then, then the other two guests. So what would it take? I think the one thing to point out is that Taiwan is a I think what what it would take for China to establish hegemony, given my sort of military view of this, I guess, is the ability to use military force or at least have a credible threat of military force to threaten major economic powers in the region. And to be clear, that doesn't mean Taiwan doesn't mean Taiwan and Vietnam and, and the Philippines, that's that's not sufficient, right? Those Taiwan has a GDP of about 1% of global GDP equivalent about 1% of global GDP, add in Vietnam, and in the Philippines, and you get up to about 2.5% of GDP. So those are those are consequential, but they are not, that is not the kind of control that gives you makes you a hegemonic challenge, right. So it has to be the ability to militarily in my mind threatened or have the capacity to threaten a major economies in the region like India, Japan, South Korea, Australia, Indonesia, which do have a significant significant economic resources on the order of 16% of global GDP at present.

And so the question is, in my mind the question is, can China credibly threaten those countries, those major economic powers? And I think the answer is at this point, certainly the answer, I think, is no, it's very difficult to see how China can pose a credible threat to those countries. In World War Two, Japan was able to launch amphibious invasions against a number of countries in the region, obviously, but that was, those are very different times against weak colonial governments that had largely been defeated by or were under severe duress, from Germany and Europe. And such, using those kinds of nefarious invasions. Now, we're very difficult to imagine, against wealthy countries with with credible military capabilities of their own, especially if assisted by the US in the Pacific. It's also difficult to see punishment strategies that would focus on bombardment or blockade being successful in those areas. They don't have a history of being successful when just conducted on their own. And so if you can't combine them with the threat of physical occupation, which is difficult because of the difficulty of doing amphibious
Invasions at this point, it becomes very difficult to see China being able to pose much of a, a very credible, hegemonic challenge.

And I think, perhaps somewhat ironically, I think it to my mind, one of the most important pieces of evidence suggesting the difficulties China would face is if you look at all of the analysis as that has been done over Taiwan. Basically, most open source literature and analysis on Taiwan suggests that China that China would have a very difficult time physically occupying Taiwan, especially if occupied or assisted in some way by the US, and that it would have a difficult time doing a blockade or effective blockade or bombardment strategy against Taiwan. And if China does not have that capability, to my mind is very difficult to conceive of how they would have that capability against countries that are much wealthier, generally located much further from China, like Japan, Australia, India, Indonesia, so I So to my mind, it doesn't really have that capability. And and it's, it's gonna be very difficult for to achieve that capability. Now, that doesn't, that doesn't mean it doesn't pose other challenges. But it does mean that fundamentally, it's very difficult for me to envision China as a truly hegemonic challenge.

Michael Swaine 24:19

Now, I guess the implication one implication of what what you're saying here,Steven, is that what this suggests is that in order to prevent China from achieving the kind of hegemony that we've defined, it is really sort of necessary or the kind of meet the kind of conditions for Germany that we think is necessary. The the, the threshold for these other countries is not that huge. In other words, they don't have to resort to these massive defense spending increases, to necessarily deal with the potential threat that China might pose to them as a military threat, as a threat of attack. Surely being able to conquer them, that that kind of a threat is one that would be a very, very high bar for the Chinese and therefore meeting it, preventing it is is not such a huge, huge challenge for other countries in the region, particularly if they are supported by the United States. But I guess that raises the question of, okay, they can't necessarily take over these other states militarily, but could their military power still pose such a concern? If backed by economic power, that it still will influence their calculations in ways that hedge away from American interests and towards Chinese interests? That a trickier question. So I'd like to get the views of of the other panelists anyway. And, Jennifer, what's your view on China's capacity in this regard?

Jennifer Kavanagh 25:47

I think your last question there is really important this question of whether or not they're the military power they have plus their economic powers enough to sway their calculus. And I actually think that's already happening based on the research that my co-author Kelly and I did for the Washington quarterly article and the Foreign Affairs article, we heard from many states in the region, especially in Southeast Asia, that even though they would prefer the status quo in the Taiwan Strait, or they would prefer to side with the U.S. more strongly. They felt that they couldn't make that decision, because they were so economically dependent on China, that it was just unsustainable and unthinkable, that they would risk it that the economic retaliation that
would that would follow. So I think one of the reasons why I default to a more inclusive definition of hegemony is that for many states, in Asia, especially smaller states, this distinction between security and economics is really blurry. The they are they are very economically dependent on China, and that becomes a security threat. So as Derek said, the US doesn't have a very strong robust economic strategy in Asia right now. And that is a concern. That becomes a security concern, and lead states in the region to question whether or not the US is actually committed, which then again, affects their willingness to line up behind the US, are they really willing to put themselves out there and join a US led coalition if the US isn't actually committed, because then they're out there on the ledge, and the US doesn't show up, they're kind of in a in a world of trouble. Right. Um, so I think that's why the economic piece is important that I think we already see this starting to affect their security calculations. And so in ways that are adverse to us to what the US would hope to see in terms of their alignment choices. In the military space, I generally agree with Steve's assessment that it would be quite difficult for China to, you know, actually could take over any of these countries, for the same reasons that he cites, you know, if we're questioning whether or not China has the capabilities to take over Taiwan, an island that is small and 90 miles from its coast, it seems difficult to imagine it taking over a much larger country that's much further away. And this is another thing that's really a focal point of, of the work that I've been doing on the region is the role of geography. Water is a great defensive barrier. So Steve, you're right, that I do think that states probably need to spend a little bit more than they are in defense, but it's not buying a fighter jets and long range strike missiles, it's buying air defense and sea mines and other types of very clearly defensive capabilities that can just make the water barrier that they already have more robust and, and can take advantage of the distance that they that they are away from, from China. So I think militarily would be very difficult for for China to, to, to, you know, credibly threaten to take over these countries.

But I think that the economic component makes it a little bit more complicated, because it does have this this way, but that also suggests an opportunity for the United States, which is to, to kind of do more in the economic space to lessen that stress. The final point I'll make is that, you know, I think it's a high bar for China to achieve hegemony, it's an equally high bar for the US at this point to maintain its hegemony over the region. Just given the shift in the military balance, and the unwillingness of countries in the region to to make alignment choices, especially if there were to be a conflict. I think that this idea that the US can maintain its primacy in the region, with the backing of a large coalition of countries is really unsustainable, especially without a more robust economic strategy and given the challenges it faces in terms of distance, and other types of geographical challenges that confront the US. So I think that that's an important point, because we should be concerned about the potential for Chinese Hegemony, but we shouldn't think that the answer to that is maintaining US hegemony, which is why I kind of default to this idea of balancing, which we can talk about later.

Michael Swaine 30:07

Yes, I mean, I'm I very much tend to agree with that. That kind of analysis, I think I think the question really is not who's going to establish hegemony or maintaining the region? It's how do you deal with the fact that no power, neither the US nor China are going to get to that point? Or
maintain that point? So what is what are you left with? Then how, what is the basis for stability over time, and there, you know, to me, the economic dimension of this, I think, is really critically important, as you say, it causes countries to hedge. And they hedge in certain ways, because of their economic interests against the US in certain ways. But I don't think that's necessarily a bad thing. I think that, you know, there is an argument that you can make that the the the cross cutting pressures that Asian countries face in dealing with China and the United States of a potential military threat from China in various indirect ways, and the possibility of US economic weakness compared to China, but yet the US providing some degree of backstop in terms of military security, that creates a certain amount of flexibility for these countries, to be able to promote their own security in ways that both ensure their good relations economically with the Chinese, and their good relations with the US what offsets that is, is whether the US or China push for control, if one side or the other pushes for a maximum level of influence, and say, We won't countenance you doing this with the Chinese, it's zero sum. So don't do this. That's when you have a problem. It's not so much I think what the countries themselves are doing, I think they're trying to balance and hedge in ways that I think are actually quite good. But it's the problem is whether or not one side or the other US or China pushes in absolute directions, I guess you would call it. But Derek, what do you what do you what's your sense about all this? You think the Chinese have the capacity to overcome all these difficulties and establish a hegemony? And what would it take? Thanks.

Derek Grossman 32:05

Well, yeah, so going back to what my co panelists were talking about, I mean, I just I think, first we need to, under better understand or assess what the Chinese are trying to achieve here. Right. And I heard some talk about China when could invade other countries, right? Well, there's really just one country they want to invade and that's Taiwan. Right. And so when we talk about, you know, hegemony in the context of could they conduct successfully conduct territorial conquest? It's really about Taiwan. Now. Of course, there is the South China Sea, the East China Sea dispute, there were Chinese encroachments into India, right. So there are other aspects of this, but none are as kind of pressing as a Taiwan issue. Right. And so in that context, what I say is that I'm fairly concerned, right, because the rise of Xi Jinping at the end of 2012, and then the military reforms that he implemented at the end of 2015, into the beginning of 2016, have really done a lot in terms of professionalizing and modernizing the People's Liberation Army to carry out precisely the mission that they, you know, have been have been designed for, really, for decades, right, which is to invade and conquer Taiwan.

And the big X factor for me in all of this is US intervention. Right? And because I mean, if you leave China, if you leave Taiwan, to fend off a Chinese attack on its own, which, by the way, you know, is not entirely inconceivable based upon what's going on with Russia, Ukraine, for example, right? I mean, we're not sending boots on the ground in Ukraine. Right. I think our relationship, I'd like to think our relationships very different with Taiwan, but I'm not certain of it. Right, in the event of a conflict, you know, if you left Taiwan to fend off a Chinese attack on its own, it's just a matter of time before, before China is able to conquer Taiwan. So that's so when we talk about do they have the capacity to do a Taiwan mission absent US intervention? I
Uncorrected Transcript: Check against Video for Quotes

would, I would say, Absolutely. But I think we would all like to believe right, that the US will intervene and will help in different ways that will either prolong China's success or will actually repel a Chinese invasion or attack against Taiwan. Right. And in that scenario, I think that, you know, did in I think the last again, several decades have shown this right, that deterrence has held in the Taiwan Strait anytime there's an incident whether it was the 9596 cross strait crisis, or it's even the Pelosi of visit in August of 2022. Right. We have seen China decide it's not worth it today to do this right to attack Taiwan or to invade Taiwan right now. The question becomes will deterrence hold over time, right, especially as China continues to professionalize and modernize the PLA and continues to become more joint. And we've seen this in the exercises, right? Not just between your, you know, Army, Navy and Air Force, but now with the strategic support force, which is designed to maintain information dominance in a future battle space, as well as the PLA rocket force, right, which is an elevated force from the second article artillery that was elevated in 2016 by Xi Jinping, right. So all of these forces kind of working together, I think poses a greater threat than your old PLA, which was pretty much army based and army driven. You know, it's also important to point out that in the last year, she has Xi Jinping has sacked several leaders in the in, in the PLA as well as the Minister of Defense. Right. So I think they have some real questions about corruption in their system, and their own kind of competence and ability to carry out the mission as well. So that plays into whether they have the capacity to do it longer term. But the intent I think, is certainly there.

Michael Swaine 36:10

Thanks. Well, would I be right to conclude from this, or I guess I just should ask Derek, do you think that the eventual outcome of the Taiwan question, whether it's resolved successfully, and the Chinese are able to take Taiwan, either by force or or peacefully? Do you think that that has a very critical bearing on the ability of China to exercise power in a hegemonic way across the whole region? I mean, you do you see Taiwan is really a kind of critical element in the whole hegemony argument, or is it something that we should be regarded as a separate threat that that is a threat, that is a concern, but it's not a concern that we should then put in the context of “Oh, my God, Taiwan’s gone, China's on the way to dominating the region?"

Derek Grossman 36:52

So yeah, it's a great question. And there's been kind of a lot of thought about this. I mean, I think if China were, you know, God forbid, to be able to take over Taiwan, that would certainly help its bid to be the hegemony of Asia. But I don't think it's a necessary requirement for them to still maintain hegemony in other ways, political, economic, security, technological ideological things I mentioned. Right. Without doing that, they could still do that without doing the Taiwan mission. Right. It's my point. And so yeah, it's, it's not kind of a, you know, a requirement. It's, it could be an either or.

Michael Swaine 37:31
Okay. Well, let's we're running out of time here, unfortunately, boy flies by, I'd like to go to the third question. The third point, which we've sort of touched on a little bit, but it's really a question of what do we do? I mean, what is the right U.S. force posture? The right US policy, diplomatic, political, economic, we've already said the US is really lacking in the economic area and needs to do much more in there. But what is the threshold? What is the what is the level at which the United States needs to operate in the region to basically ensure its its stability, and that of its allies and partners in the region, whether it be to prevent Chinese Hegemony or not? What do you think the best kind of posture should be for the United States to address these kinds of concerns, and the possibility of the Chinese are gaining a much greater level of influence in the region? I'll start with you, Jennifer, what do you think? I'm really asking you to sort of summarize your piece.

Jennifer Kavanagh 38:23

Right. So you know, Kelley, and I make an argument for for offshore balancing that focuses on maintaining a favorable balance of power in the region, which would entail a couple of key steps that differ from the current approach. The first is rather than trying to expand us access across the region, it would focus on hardening and reinforcing the infrastructure that we already had. Sort that would mean hardening. Making sure that the runways and air and ports that we have in Japan and Guam are the increase the capacity there and increased defensive defensive measures to provide reinforced hangars to protect aircraft, make sure they increase the amount of air defense, things like that to make those more secure and better able and better to defend those that posture. Um, the second would be to double down our support for key industrial centers in the region. Like key allies like Japan, South Korea, India, the places that really would swing the balance of power were they to fall under Chinese control. Those would be the key places to focus on rather than having what is now in, in my view, a very heavy focus on Taiwan is sort of the linchpin of the region shifting that focus to being on the the key powers that would make a difference in the balance of power. And then the third would be to lean much more heavily on defensive investments and allies and partners and getting them to arm themselves. So basically turning all other countries in the region into porcupines. So that would mean helping allies and partners to acquire defensive capabilities like anti ship missiles, air defense, naval minds to harden their own ports. And for Taiwan to similarly adopt that sort of posture and also make investments like on the eastern ports and to help itself to help to defend itself. So the US wouldn't necessarily drag down its existing posture, but it certainly wouldn't increase it. And it would dial back the focus on offensive capabilities in terms of trying to get allies and partners to host us long range, the Long Range Strike, and, and those types of capabilities.

So it would really emphasize asymmetric capabilities for allies and partners, defensive investments for the United States, and a focus on making sure that the balance of power remains stable and doesn't shift in Chinese favor, rather than trying to make sure that the US sort of dominates the region. And one key aspect there that I'll just put call go back to geography, because it's so important in maritime Asia is that the strategy takes geography and uses it in the US advantage, rather than focusing on the tyranny of distance. It looks at how geography can work in the US favor.
Michael Swaine 41:14

Great. Well, I must say, Jennifer, that almost all of what you've just argued for, by way of what the US should do is is very congruent with our with our study on Active Denial, so you're hired.

Steven Kosiak 41:24

It certainly makes it easier for me to answer the question. I just gotta say, I mean I think I agree with everything Jennifer said there. I. And I guess I won't repeat it. But it is very consistent with our Active Denial report, I think. But I guess I would just say, I think, add a few things. One is that I think it really does require the US to focus on key allies in the region. And and I do think a problem with so the analytical community and the national security community, in terms of confronting China is the focus on Taiwan, I think we focus too much attention on Taiwan at the expense of attention elsewhere. And I don't necessarily disagree with what Derek said earlier about the importance of Taiwan in some ways. But I do think it's important to point out that I mean, to my mind, what happens is what it's a very delicate situation that we have to manage the potential of a conflict in Taiwan escalate to very become very ugly. And so I don't I don't have a solution for that. But I do think it's it's 1% of GDP in the world. It isn't the same as conquering. It's not it doesn't make you a hegemonic. And I'm not saying Derek was saying that. But I do think it's important that we that we've acknowledged that and also, I don't think a lot of work has been done on the applications of Taiwan falling. In fact, that's, that's an area where we really need to do to do a lot more work is what would happen if the Chinese got control of Taiwan, I think that's something that seems like we should have looked at a lot, but we really haven't looked at a lot. Anyway, I think I well, and then I'll just add a couple more things, I guess, which is one as I think, you know, when we talk about the economic drivers and the the Chinese economic influence around the world, one of the things I think it causes me to do a step back and say, so we really have to be doing trade offs here, not just between the kinds of military forces we have and the posture we have in in Asia, but also, how much do we spend on our military versus bringing down our debt, it versus investment in infrastructure in the US to gin up our economy so that it's more competitive with the Chinese and stuff like that. So it's a so I would say that that needs to be a component of our response as well. And I'll leave it at that.

Michael Swaine 43:36

We're really running out of time, I want to get to questions and answers. But I want to give Derek the opportunity to speak to what he thinks really should be done here that what is the US doing? Right? What is the US doing wrong and reacting to this to this situation

Derek Grossman 43:49

Yeah, I mean, I agree with pretty much again, everything my co panelists have already said, so I'm not going to rehash that. But I would just add very briefly, that it's not just about bolstering deterrence in the region, especially by leveraging, you know, key US allies and partners, but
also seeking to try to reassure Beijing that we are not in fact, gonna cross our own one China policy in the context of Taiwan, right, or do anything else that would be like really untoward, toward Beijing, right, and forced Beijing to react. I mean, the last thing we want is a spiraling security dilemma. And frankly, I think that we've been like in that death spiral now, for the better part of five years now. There's, you know, hope on the horizon. Right. We have Biden and she they just had another phone call the other day. Right. But, I mean, is the kind of post APEC you know, glow. Is that sort of wearing off? Right? I'm not sure. Right, and especially as China continues to improve its relationship with Russia, and its supporting Russia's war in Ukraine. And we just got a report the other day, maybe they are supporting them with more than just dual use equipment for their war in Ukraine, right. And then of course, we have the Israel Gaza situation and how China's views on that differ from the US, right. So there's there's just tons of different issues that are kind of balled up into this US China relationship that has been in a very bad place in recent years. And I think even just kind of a slight increase in the kind of tone and tenor and improvement, right, if you will, it's just not enough. Right? We got to reassure more. And part of the problem for us is that they're not reassuring us, right? So why would we reassure them? So that's part of the issue too. And I'm, and I fully admit that and recognize that.

Michael Swaine 45:43

Okay, so thanks. Great. Thank you. Thank you. Thank you all for addressing these these questions. Now, let's get to the questions from the, from the audience. And a lot of them relate to Taiwan in particular. And so I'm not, my apologies, but I'm not terribly inclined to get into a discussion right now, just about the Taiwan question, I really want to keep the focus on this issue of regional regionwide hegemony. And in that regard, and this may be a complex question to answer in a limited amount of time. But there's a question from Paul here, who is a friend and colleague of ours, who has been in the US government and focuses very much on the US China security issue. And he asked what is the evidence for China having as its goal a form of hegemony that would be hostile to an exclusive of a US role in the region? Would regional Chinese preeminence that accommodated a US role, and did not offensively dominate the neighbors still constitute hegemony and thus be acceptable to the US? He's basically arguing or asking if peaceful coexistence with overlapping spheres of interests of influence here could be an option for the region? Is this a form of I guess you might say it's a sort of balance come Chinese preeminence but a benign form of preeminence as a possibility for the future of the region? Any thoughts from from any of the three of you that this is, this is something that could be possible, it really assumes that there is a middle ground that the US and China could reach that would allow them both to coexist in a in a pretty productive way? Even if China had a certain level of predominant influence?

Steven Kosiak 47:25

I guess I would I don't have much to say on that. I guess I would just say it does. It goes to the point that defining hegemony is hard. And, you know, there's, there's, there's what is hegemony? And no, it's how bad is that particular form of hegemony? I mean, it's it's, it's, it's difficult. Right?
Uncorrected Transcript: Check against Video for Quotes

Jennifer Kavanagh 47:42

So I mean, I think in theory, my view would be yes, there is a vert there is a peaceful coexistence scenario in which the United States and China can function as sort of on parallel tracks. And I think the reason I say that is because I think a lot of the institutions and organizations that China is setting up, in my view, like, you know, the Global Security Initiative and their Shanghai Cooperation Organization, these things already overlap with us, institutions and alliances, and so far have not been mutually exclusive. There are states that are involved in both of them. And, you know, we're there to be sort of a a balance of power that were achieved and maintain, I think both countries could function, I think the challenge is deciding sort of like whether that would be acceptable to like certain parts of each country. So you know, whether or not, there are there are arguments that US alliances are like a red line for China that I would like to destroy those alliances that it wants to push us military forces back. And in that version of the future. I don't think the that, you know, the US sort of foreign policy establishment would accept that. So I think that that makes that sort of a no go. And then there are those within the US foreign policy establishment that seem equally dogmatic about sort of, any sort of Chinese gain is unacceptable. So the question is whether or not that coexistence future can win out over the sort of hardline on each side domestically in each country. And that I think I'm less optimistic about that than I am about the theoretical concept of a coexistence future, if that makes sense, right.

Michael Swaine 49:33

Derek, any thoughts on this? Or if not, I'll go to the next question

Derek Grossman 49:36

I would just say that I mean, the period of unrivaled U.S primacy is I think we can all agree pretty much over, okay, so peaceful coexistence with China seems like the next best option, but the devil of course, is in the details. Right. And you can't just you know, I used to work with Paul and I had a lot of great discussions with Paul during our time in the intelligence community together and so Some of them were about these issues. Right? And, you know, my contention is you can't simply wish away Taiwan and the South China Sea. Those are huge areas of disagreement that court really core areas of disagreement that we have with China. So how do you figure those out in order to then achieve that peaceful coexistence? I don't really see a path there, unfortunately.

Michael Swaine 50:25

Well, as I say, that gets into the question of Taiwan. And we should have another whole webinar about US policy on Taiwan, because I have some very strong feelings about that. And I do tend to agree with you, Derek, that both the Chinese and the Americans are moving in directions here that are not good. And that if we can't manage that problem, then you know, the issue of
longer term hegemony by China and other things is really going to become a moot issue. Because if that blows up, then the whole board game changes in many ways. And so that's really an important point from that perspective. Let me ask a question here from Kenmore Yasu, who really is focused more on the economic thing. He says for the Biden administration's lattice strategy to work, I agree that a trade element is necessary. Does that have to be a regional trade pact like CPTPP? Last week's U.S.-Philippine summit had lots of bilateral investments and projects? Could the economic element be more of a bilateral nature? Or are we talking about an improved U.S. position in the region economically, that really involves integrating itself more fully into the multilateral regional structures? Right now we have kind of competing structures here, we got the CPTPP, which United States is definitely not a part of, and yet is supported by its some of its allies, its key allies. And then we have other types of multilateral economic agreements that the United States is backing, but the Chinese are nowhere near accepting or involved in. So we have this kind of competing, multilateralism going on. So what do you think would be the best kind of balance for dealing or those kind of solution for dealing with that? And your thoughts on this?

Jennifer Kavanagh 52:10

I can start i i think, I don't think it has to be a multilateral solution. I think it could be bilateral, I think it has to be a lot more aggressive than the current strategy is, which is these mini deals, which are very, very small, you know. Peter Harrell, in Foreign Affairs has a number of times made a compelling argument for sort of sectoral II focused agreements with small numbers of partners. So it'd be like economic mini laterals, I think that idea holds a lot of promise, but it would have to be like a little bit more, there has to be more behind it than sort of what's achieved. So far, I do think there has to be progress in the trade domain, like investment is great. But it's not enough to sort of help the US have a seat at the table as like the rules of economic exchange are being written in Asia on things like how to how to navigate climate issues, and labor issues and digital trade, like those are things the US has to be involved in, if it wants to play a bigger role in the economic space in the region. And without sort of a foot in the trade domain, which it it kind of lacks this the same the same influence as China has. And so that can be achieved with in ways that are not multilateral. But it needs to be more aggressive than what's been done so far, in my opinion.

Derek Grossman 53:31

Going back to what I was saying earlier, I mean, I think we've completely fallen flat on economic strategy. I mean, we basically have none, right. And when you look at the Biden administration's Indo Pacific economic framework, what is that that's an agreement to start negotiations about ways to better facilitate trade? Right, except we're not giving any additional free trade access to the Indo Pacific countries, right, which is exactly what they want from us. The problem is we lack a political appetite, as we've become increasingly polarized both on the left and the right, for doing any kind of free trade agreements, whether they are bilateral or multilateral. So I hate to paint a bleak picture as I did, I think in response to the last question, but it just doesn't seem like there's much of a way forward on that it's really going to take presidential leadership and neither
candidate for President right now has the appetite to rejoin CPTPP, or to engage in bilateral FTAs or anything like that.

**Jennifer Kavanagh 54:37**

I would, I would agree with Derek 100% that the iPad is probably not formed. I think the fact that the trade pillar itself is sort of stalled and has no path forward, just sort of summarizes the AIPAC.

**Michael Swaine 54:52**

I mean, I would just simply add very, very quickly that I think at the same time, it is a bit of a mistake for some people to assume that China's trade position in Asia is a clear channel to achieving the level of dominance that we're talking about as a hegemonic power in the region, because there really is a kind of a balance in the region. He's just talking about the US and China as economic, economic, not just trade, but economic players in Asia, the US loses out on the trade front, for sure. But at the same time, the sort of China centered value chains that exist in East Asia, are really held together by American, European, Japanese, and increasingly South Korean and Taiwanese capital, and technology. And those areas in those areas, the Chinese are, are behind, particularly in the capital area in financing other than some investment investment in infrastructure projects. They don't offer the kind of capital incentives that you get for private businesses, from the United States and in foreign direct investment where the United States is still a big, big player in the region. So I think there's I'm not by any means discounting what you're saying. I'm just saying it doesn't it doesn't necessarily move in the direction that China's is hegemonic. That's about it, or this behemoth that's about to take over the region. Economically, it still remains a very uncertain question. Let me ask you a question that maybe Steve would be able to, to address, which is from Joel Sakowski, and he asks, does China present an ongoing threat to freedom of the seas? of the international commercial sea lanes of communication, the slicks? In Asia? Is that a critical question there? That really does relate to the whole hegemony issue of freedom of the seas?

**Steven Kosiak 56:50**

I guess I'd have a hard time really answering that question thoroughly? I don't think so. If one is looking at the potential, for example, of China, implementing a block aid strategy against Japan or other powers in the region, outside of Taiwan? I think the answer is is clearly no and in fact they they are they are largely box in themselves. I think if you're talking about Taiwan, that is a no, that's a different that's, that's, that's more, they obviously have a more significant more capability vis a vis Taiwan, and they do the rest of the Asia Pacific area.

**Michael Swaine 57:25**

Right. Right. Anybody else want to have a shot at that? I mean, my own my own sense is that under current conditions, the Chinese do not have the capability to be able to, they don't have
the incentive to interdict commercial communication and transportation across the sea lanes. In Asia. I mean, that kind of this is a warfare type situation, you're really arguing under conditions of warfare, could the Chinese operate in ways that would that would block the strategic lines of communication are threatened to do so. And the United States couldn't correct it or couldn't stop, it couldn't prevent it, or other companies couldn't do so. And I think that's very problematic

Steven Kosiak 58:09

And those kinds of strategies are also very difficult to implement, just in general, and they're there, they take a lot, a lot, a lot of time to be effective. And so it's not and I don't think at present, that the Chinese navy is, the investments in the Chinese navy are really focused on on that.

Jennifer Kavanagh 58:29

It would also hurt, it would be very costly for them to just to disrupt that they're very trade dependent as well. And also, it would raise the alarms of the international community, and then drive potentially increased force posture and other types of responses from the US and European and its European partners, as well as its potentially its partners in Asia, which would make any sort of actually kinetic campaign against Taiwan or anywhere else that much more difficult. So I could see them doing it under like a wartime scenario, but it would, it seems that that would take in that you'd have to time that very carefully. And I so I think the threat of that, in the near term, at least is pretty low.

Michael Swaine 59:11

Yep. Derek, can you comment on this, or should we? Well, okay, great. This has been, we're really at the end of the hour. And this has just flown by. And it's been a great discussion. I encourage everybody to please read the articles that I've mentioned and articles that Derek has written or co authored and rant about this whole question of, of China's role in the region and whether it's gaining or, or how it's gaining and levels of influence and what this question of hegemony really means. It's a word that's thrown around very, very loosely, I think, in many quarters and really does require a much closer degree of examination and assessment of what what's, what it is what's required to achieve it. And what's the best strategy for for trying to deal with that potentiality. And I think we've all addressed many of these questions really, really well today. So and I encourage people to keep keep their interest in this and watch this space because we'll be having other webinars that relate to this kind of issue going forward. So, a big thanks to Jennifer, to Stephen and to Derek, for this very interesting discussion and see you next time. Bye, bye, guys. And thank you everybody for the questions. Sorry, we didn't get to more.